

FISCAL NOTE

SB 1746 - HB 1802

March 26, 2003

SUMMARY OF BILL: Currently, the minimum quarterly franchise and excise tax installment companies can make is the lesser of 25% of the prior year's liability or 25% of 80% of the current year's liability. This bill would change that minimum installment amount to the lesser of 25% of the tax shown on the previous year's return or 25% of 100% of the current year's liability.

ESTIMATED FISCAL IMPACT:

State Revenues - Shifts approximately \$18,000,000 in state revenues from FY03-04 to FY02-03 and \$ 21,000,000 from FY04-05 to FY03-04

Increase State Expenditures - \$22,000 One-Time

Estimate assumes:

- there would not be an actual increase or decrease in total state revenues associated with the bill. However, because of timing of the estimated payments, the amounts actually received would be accelerated resulting in an increase in revenue actually received in FY02-03 and FY03-04. After these two fiscal years, all taxpayers will have gone through a complete cycle making estimated payments under the new requirements contained in the bill.
- the bill would not be implemented prior to April 15, 2003.
- there would be a one-time cost of \$22,000 associated with implementing the changes proposed in the bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director